

**UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO**

IN RE:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO  
RICO,

as representative of

THE COMMONWEALTH OF PUERTO  
RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA  
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

IN RE:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO  
RICO,

as representative of

EMPLOYEES RETIREMENT SYSTEM OF  
THE GOVERNMENT OF THE  
COMMONWEALTH OF PUERTO RICO,

Debtor.

PROMESA  
Title III

No. 17 BK 3566-LTS

**This filing relates to ERS only.**

(Jointly Administered)

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor's respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747).

**LIMITED RESPONSE OF THE BANK OF NEW YORK MELLON, AS  
FISCAL AGENT, TO MOTION OF OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS, UNDER BANKRUPTCY CODE SECTION  
105(A) AND 502 AND BANKRUPTCY RULE 3007, ESTABLISHING  
PROCEDURES WITH RESPECT TO OBJECTIONS TO CLAIMS  
ASSERTED BY HOLDERS OF BONDS ISSUED BY EMPLOYEES  
RETIREMENT SYSTEM OF GOVERNMENT OF PUERTO RICO AND  
REQUESTED RELATED RELIEF**

The Bank of New York Mellon (the “Fiscal Agent”), as fiscal agent for certain bonds issued by the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”), through its undersigned counsel, hereby provides this limited response to the *Motion of Official Committee of Unsecured Creditors, Under Bankruptcy Code Section 105(a) and 502 and Bankruptcy Rule 3007, Establishing Procedures with Respect to Objections to Claims Asserted by Holders of Bonds Issued by Employees Retirement System of Government of Puerto Rico and Requested Related Relief* [Case No. 17 BK 3283-LTS, ECF No. 5589; Case No. 17 BK 3566-LTS, ECF No. 386 ] (the “Procedures Motion”), and respectfully represents as follows:<sup>2</sup>

**BACKGROUND**

**A. ERS, the Fiscal Agent, and the Resolution**

1. ERS is a trust established by the Commonwealth in 1951 to provide pension and other benefits to officers and employees of the government of the Commonwealth, members and employees of the Legislature, and officers and employees of public corporations and municipalities of the Commonwealth. ERS is authorized to incur debt and to secure such debt with its assets.

2. On January 24, 2008, ERS adopted the Resolution, pursuant to which ERS issued three series of pension funding Bonds in the aggregate original principal amount of

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<sup>2</sup> Capitalized terms used but not defined herein have the meanings given in the Pension Funding Bond Resolution (as supplemented, the “Resolution”) adopted by ERS on January 24, 2008.

approximately \$2.9 billion. The Fiscal Agent serves as fiscal agent under the Resolution. *See* Resolution § 801.

3. Pursuant to the Resolution and in the ordinary course of its duties as Fiscal Agent, the Fiscal Agent issues notices of material developments pertaining to, *inter alia*, the rights and interests of Bondowners.

**B. ERS Title III Case and the Procedures Motion**

4. On May 21, 2017, the Financial Oversight and Management Board for Puerto Rico filed a petition for relief on behalf of ERS under title III of the Puerto Rico Oversight, Management, and Economic Stability Act, 48 U.S.C. § 2101 *et seq.*

5. Since filing of the petition for relief, hundreds of individuals or entities have filed “bond” claims against ERS. Procedures Motion ¶ 2.

6. On March 12, 2019, the Official Committee of Unsecured Creditors of all Title III Debtors (other than COFINA) (the “Committee”) filed two objections to claims asserted by Bondowners against ERS [No. 17 BK 3283-LTS, ECF Nos. 381 and 384] (together, the “Objections”).

7. Concurrent with the Objections, the Committee filed the Procedures Motion requesting that the Court enter an order “that allows the litigation of the Objections and defenses thereto as part of one organized process” including a procedure for providing notices to Bondowners regarding material developments related to the Objections. *Id.*

**LIMITED RESPONSE**

8. The Fiscal Agent submits this limited response to advise the Court that, in accordance with the Resolution and in the ordinary course, the Fiscal Agent expects to send

notices to Bondowners advising them of any Order approving the Procedures Motion and stating that such notices are in addition to, and not in lieu of, any other notice approved by the Court.

Dated: April 9, 2019  
San Juan, Puerto Rico

Respectfully submitted,

SEPULVADO, MALDONADO & COURET

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